

Modification Proposal 0274 – Creation of a National Revenue Protection Force – Request for Extension of Development phase

Background

The Modification Panel determined to send the Proposal to development at its November 2009 meeting. The Development Workgroup was initially requested to report to the May 2010 Panel.

Progress Update

The 0274 development group has held the following meeting:

10 December 2009

Agreed the terms of reference for submission to Panel. Agreed topics and actions for following meeting

19 January 2010

The role of the NRPS was discussed and the services it should offer, data items required and the legal implications of a shared service provider.

12 February 2010

Presentation given by Detica on the potential solutions for the interrogation of data and provision of leads. The Development Group considered potential NRPS services, including what should be mandatory and what should be optional.

05 March 2010

The mandatory and non mandatory services, operational model and end to end processes were discussed and developed.

22 March 2010

The group discussed governance arrangements for the NRPS, data protection issues and codes of practice and the mandatory / non mandatory services. It was recognised at this stage that development outside the UNC was likely to be required before finalising any UNC modification.

18 May 2010

Note Issued to the Industry at the request of the Proposer:

“Dear Colleagues

We have reached a natural break-point in the development of this modification and we now need to put in place the details of the service requirements and the governance arrangements for the NRPS. This is clearly not a requirement for the transporters and therefore the next phase of this work will be undertaken outside of the UNC.

A paper is being prepared for the Gas Forum Exec to establish a workgroup to take the governance and service definition work forward and while this work is being done there is nothing the UNC Mod Group can do as it will require the outputs of the service definition work to understand the UNC requirements on parties.

We anticipate that the work will need to be put on hold for six months to allow the service definition and tender preparation work to take place as well as the creation of the governance framework for the service.

On this basis, can I suggest that we ask the UNC Panel to suspend the workgroup for the next 6 months and that we will provide updates back to the panel on the progress of the parallel external workstream.”

Request for Extension

8.3.7 of the Modification Rules provides that “No Modification Proposal shall, without the consent of the Authority, be in the Development Phase for more than twelve (12) months.”

The Development Group has not held any meetings while the non-UNC elements of the NRPS and associated governance bodies are developed – see the attached update from the Proposer. The UNC Modification Proposal cannot be usefully developed further until the NRPS, its data requirements, obligations and services are fully understood and developed. In recognition that development of the Proposal is effectively on hold, the Authority’s consent is sought to the Proposal remaining in the Development Phase. It is suggested that this consent be granted on the basis that the Development Phase is extended to 18 months.



Mr Bob Fletcher
Joint Office of Gas Transporters
51 Homer Road
Solihull
West Mids

E.ON Energy Limited

Newstead Court
Little Oak Drive
Sherwood Park
Annesley
Nottinghamshire
NG15 ODR
www.eonenergy.com

Colette Baldwin
T 02476 181382
Colette.baldwin@eonenergy.com

Tuesday 12 October 2010

Dear Bob

UNC Mod 274 Progress Report

As promised, here is an update on the progress of Mod 274 being undertaken outside of the UNC development process.

Following approval by the Gas Forum to the establishment of a project group to take forward the commercial elements of the NRPS, (which is open to all parties interested in developing the National Revenue Protection Service, irrespective of whether they are members of the Gas Forum or not), the work of the UNC development group was deferred.

The Gas Forum project group have developed a Request for Information (RFI), and this has been circulated quite widely. The closing date for submissions of responses to the RFI is 29th October 2010 and to assist interested parties in formulating their response, the Project team hosted industry Q & A workshops. It is good to note that we have received encouraging levels of expressions of interest from different specialists across the services which will be needed to bring the NRPS together.

The next stage of the Gas Forum work will be to review the RFI responses, and so the project team will meet again on the 8th and 15th of November, after this the project group will look to finalise the operating model.

Since the commercial elements of the NRPS are intended to be capable of being multi utility, the DCUSA workgroup looking at theft have reviewed the proposed commercial approach and are now proposing to provide

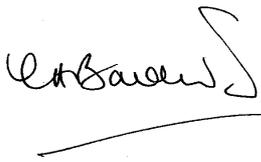
E.ON Energy Limited
Registered in
England and Wales
No 3407430

Registered Office:
Westwood Way
Westwood Business Park
Coventry CV4 8LG

input into the development work of NRPS model to facilitate its multi-utility approach.

Ofgem have provided an amended timescale to carry out their Impact Assessment on initiatives to improve the detection and investigation of the theft, their consultation process is expected to begin towards the end of February 2010 and this has been incorporated into the project plan.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Colette Baldwin', with a long horizontal flourish underneath.

Colette Baldwin
Senior Regulatory Analyst